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CHARLES ELMORE CROFLEY
CLERK

IN THE
Supreme Court of the United States

OCTOBER TERM, 1948.

No. 162

EXCEL AUTO RADIATOR COMPANY,
Petitioner,

vs.

THE BISHOP AND BABCOCK MANUFACTURING
COMPANY,
Respondent.

PETITION FOR REHEARING.

MAX W. ZABEL,
FOSTER YORK,
Counsel for Petitioner.



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*To the Honorable Frederick M. Vinson, Chief Justice of
the United States, and the Associate Justices of the
Supreme Court of the United States:*

Your petitioner respectfully requests that the Court reconsider its action of October 11, 1948 denying the petition for writ of certiorari filed herein; that the order then entered be vacated; and that a writ of certiorari to the United States Court of Appeals for the Sixth Circuit be granted according to the prayer of said petition.

The discretionary power of this Court is respectfully invoked for the following reasons:

Reason 1.

The Court of Appeals for the Sixth Circuit has committed a fundamental error of law by applying the doctrine of *Rousso v. First National Bank*, 37 F. 2d 281, to this case rather than the doctrine of *Morgan v. Daniels*, 153 U. S. 120. The Rousso doctrine is applicable when one of the parties to a later infringement suit is a *stranger* to an earlier interference dealing with the same invention, while the Morgan doctrine is applicable when the parties to the two proceedings are the *same*. The Court's refusal to apply the Morgan doctrine was based upon its unwillingness to accord to a common "assignee" the standing of a common "party". In other words, the Court disregarded the *real party in interest* aspect of respondent, and in effect divorced the common assignee from its inventor-assignors. Since there is clearly no legal justification for this view, the Court was in error for not applying the well established doctrine of *Morgan v. Daniels*.

Reason 2.

Certain new evidence was presented in the infringement action, and this evidence prompted the Court of Appeals, in its evaluation of the case under the Rousso doctrine, to reverse the interference decision. Such evidence, as we shall show, could not possibly have brought about this result under the "thorough conviction" criterion of the Morgan doctrine. This new evidence was offered in an attempt to disprove certain testimony given in the interference. This testimony, as will be seen, was "belief" testimony—the witness "believed" he obtained his blower from such and such a place. This language is inherently capable of two interpretations. The Court of Appeals, upon being convinced by the new evidence that the blower could not have been obtained from that place *at the time*

alleged, concluded that the witness was in error as to the time he acquired the blower. Overlooked was the possibility that the witness was wrong in his "belief" as to the *origin* of the blower, and that it was actually derived from another source. The new evidence, applied as it was to "belief" testimony, is manifestly incapable under the "thorough conviction" criterion of the Morgan doctrine of upsetting the interference decision, which, if upheld, spells invalidity of the Mayo patent in suit.

A brief resumé of this litigation will be helpful to demonstrate the anomalous position occupied by petitioner as a result of the Court of Appeals' decision. It likewise will demonstrate the need for reviewing this case so that a repetition of the situation will not occur.

Petitioner and respondent have been common adversaries in three *inter partes* proceedings involving automobile heater inventions. Two proceedings have been interference actions, and the third is the present declaratory judgment infringement action.

The first interference concerned itself with the precise invention involved in this action. The named parties were Sperry and Mayo, *assignors* of petitioner and respondent respectively. Mayo prevailed in this interference before the Court of Customs and Patent Appeals, 134 F. (2d) 174, on the narrow, technical ground that Sperry, although he had made models at an early date, had "failed to reduce his invention to practice" prior to the filing date of Mayo's patent application. Subsequently the Mayo patent in suit was issued to respondent.

The second interference involved another, but intimately related, aspect of the same subject matter. This interference was between Sperry's *same application* on behalf of petitioner, and the applications of *assignors* Payne and Teschner on behalf of respondent. On the critical question of reduction to practice, Sperry presented additional

evidence, and this time the Court of Customs and Patent Appeals *reversed* its former decision, and held that Sperry had in fact reduced his invention to practice as required by law. 141 F. (2d) 816. Subsequently the Sperry patent was issued to petitioner.

This reversal by the Court of Customs and Patent Appeals left petitioner in the anomalous position of being unable to practice the invention of its Sperry patent because of the existence of the previously issued, dominating Mayo patent in suit.

The present declaratory judgment infringement action was instituted to remove what was considered to be merely a formal cloud on petitioner's right to practice the invention of the Sperry patent.

Since petitioner's rights in both interferences were based on its single Sperry application, and since respondent was the *adverse party* in both proceedings, petitioner naturally expected that the Court in the declaratory judgment action would follow the holding of the Court of Customs and Patent Appeals in the second interference under the well established administrative law doctrine of *Morgan v. Daniels*, 153 U. S. 120. Such a holding would have spelled invalidity of the Mayo patent in suit on the ground that Mayo was not the first inventor. This the Court did not do, and the reasons that prompted the Court not to do so are, we insist, fundamentally in error.

Discussion of Reason 1.

In refusing to apply the Morgan doctrine, the Court of Appeals stated (R. 460) that

"The final ruling of the Court of Customs and Patent Appeals (141 Fed. 2d 816) on the question of priority between Sperry, Payne and Teschner, does not bind this court, since Mayo was not a party to those proceedings."

It is apparent that the Court relied upon the distinction between the individual inventors Payne, Teschner and Mayo, and totally disregarded the fact that respondent was the *common assignee* of each of the said individuals. (Respondent's status as Mayo's assignee is admitted in the pleadings; its status as to Payne was admitted at the trial (R. 29); and its status as to Teschner is set forth in Exhibit 19, pp. 4 and 245.) As a common assignee, respondent has been one of the real parties in interest in each proceeding, while petitioner has been the other real party in interest. The Court also disregarded the fact that the question of reduction to practice was common to and critical in all three proceedings.

An assignee of an inventor has exactly the same standing as the inventor himself would have had in the absence of assignment. This is apparent from Sec. 4918 (U. S. C. title 35, sec. 66). To the same effect is Rule 94, Rules of Practice of the U. S. Patent Office.

Therefore, respondent, a common assignee and thus a real party in interest, should be given the standing of a "party" within the Morgan doctrine. This the Court of Appeals failed to do, and as a result, the legal scope of the Morgan doctrine has been rendered indefinite.

A review of this case is necessary to clarify this uncertainty.

The decision of the Court of Appeals, in brief, holds that an assignee-party to an infringement suit is *not bound* by the decision *on a common question* in a previous interference proceeding wherein the same assignee also was a party, the assignors in the two instances being different inventors. To allow this decision to stand without review introduces fatal uncertainty into the patent law with respect to the scope of the Morgan doctrine.

Discussion of Reason 2.

Upon determination that this case is properly subject to the Morgan doctrine, it is necessary to pass upon one further point that influenced the decision of the Court of Appeals. This point involves a brief consideration of the new evidence presented in the infringement action, and its effect upon the interference testimony it attempted to disprove.

The questioned interference testimony involves statements that obviously were capable of two interpretations, one of which under the circumstances was favorable to petitioner, and the other unfavorable. The Court of Appeals arbitrarily adopted the unfavorable interpretation, and thereupon concluded in the light of the new evidence that the witness made a mistake. This mistake was deemed fatal to petitioner's case. The question presented by this circumstance is—Does this *possibility of discrepancy* amount to evidence of such "thorough conviction" that, under the Morgan doctrine, the interference decision should be reversed? We are confident that it does not.

The one-sided interpretation of the testimony by the Court of Appeals may be demonstrated by quoting from the Sperry deposition, petitioner's (plaintiff's) Exhibit 20, p. 52:

"XQ. 114. When Sperry Exhibit 1 was made up where did you acquire the blower?

A. That blower, a pair of blowers, right and left, were acquired from a bakelite molding company who had previously supplied these blowers to a concern who made heaters for the Goodrich Rubber Company.

XQ. 115. Do you know which bakelite molding company that was?

A. I *believe* it was the Midwest Molding Company.

XQ. 116. Here in Chicago?

A. That's right.

XQ. 117. And what concern was it who made those heaters for the Goodrich Rubber Company?

A. I *believe* it was a concern in Detroit, the name I don't recall." (Emphasis ours.)

The Court of Appeals summarized this testimony by the statement that

"Sperry testified that in his first model he used a pair of blowers acquired from a bakelite molding company, the Midwest Molding and Manufacturing Company of Chicago."

In other words, the Court of Appeals interpreted the "belief" testimony to mean that the witness *stated with certainty* that he obtained his blowers from Midwest.

Admittedly the new evidence established that the witness could not have obtained the blowers from Midwest at the time he claimed to have acquired them. Nevertheless, that is no reason to rule out arbitrarily the possibility that the witness was in error as to his belief, and that he acquired the blowers at the time alleged from a different source. In any event, the new evidence obviously lacks the "thorough conviction" necessary under the Morgan doctrine to authorize a Court to reverse the determination of a common question made by the Court of Customs and Patent Appeals in a previous contest between the same real parties in interest.

Conclusion.

For the above reasons, it seems clear that the Court ought not to permit the judgment of the Court of Appeals to stand without review, particularly from the standpoint of the proper application of the *Morgan v. Daniels* doctrine.

Respectfully submitted,

MAX W. ZABEL,

FOSTER YORK,

Counsel for Petitioner.

I, Max W. Zabel, counsel for the above named petitioner, do hereby certify that the foregoing Petition for Rehearing is presented in good faith and not for delay, and that it is based upon substantial grounds available to petitioner although not previously presented.

MAX W. ZABEL,

Counsel for Petitioner.

